

## ENVIRONMENTAL PROTECTION AGENCY

Arthur Gevirtz, Hazardous Substances  
Spill Response Officer *AGV*

July 2, 1976

Diamond Head Oil Refining Co., Inc.

Michael V. Polito, Chief  
Emergency Response & Inspection Branch

While conducting clean-up operations in the marshes at Exit 15W of the N.J. Turnpike, I became aware of Diamond Head Oil Refining Co. Inc., 1401 Harrison Turnpike, Kearny, New Jersey.

While checking out the source of the oil flow into the marshes on June 25, 1976, I observed liquid being delivered to a lagoon, in the rear of Diamond Head, through a pipe. The liquid was brownish and contained oil (visual examination). From the bottom of the lagoon black liquid was flowing through a pipe with an open valve. The liquid was flowing into a 7 million gallon lake on the NJDOT property (R280 Section 8 Parcel 135 A&B).

This lake narrows to a stream which flows into the marshes and according to Scott McCone, NJDEP, eventually reaches the Passaic River. A sample of the black liquid was taken and turned over to the analytical laboratory, EPA, Edison, N.J. Sample #37182.

According to an analysis by the Diamond Head Laboratory, on another sample taken by them the material from the lagoon contains 10% oil. The valve was turned off to stop the flow of liquid. There were visible signs that black liquid was leaching from the lagoons and flowing into the lake. It was evident that the lagoon had overflowed and gone into the lake.

Mr. Polito informed Mr. Mahler, the company representative, that they were in violation of Federal law. Also, their oil was getting into navigable waters. Mr. Mahler's response was that they had received permission from the NJDOT to discharge to the lake on their property and that the NJDEP had told them to keep the valve open discharging the lagoon bottoms to the lake in order to prevent the lagoon overflowing and contaminating the land.

Mr. Mahler indicated that they had no federal discharge permit (NYPDES). He indicated that they would stop the discharge and apply for a NYPDES permit.

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There was evidence that oil tanks had overflowed into a low area with standing oil pools. I observed buried pipes leading to the lake and a partially buried pipe leaking oil 15' from the lake on high grounds.

*where was  
effluent to go?*

I returned with Scott McCone, NJDEP, for a discussion with Mr. Mahler. Scott McCone did not give them permission to discharge material from the lagoon. Last fall, Scott McCone told Diamond Head to clean up the area, line the lagoons with clay and install eight ground wells in order to pump oil from the oil saturated ground. At the time we were there, the ground wells were installed but were not being used. One that we checked was full of oil.

Mr. Mahler insisted that he was told by Ed Faillie, NJDEP, to keep the valve from the lagoon to the lake open. (Ed Faillie says this is not so). Scott McCone informed Mr. Mahler that the Federal Regulations supercede the state's authority and that he must conform to Federal law. He was told to apply for a NYPDES Permit, clean up the area, and start operating the ground wells.

On June 26, 1976, I observed a condensate receiving tank overflowing to a low area. In addition, there was a continuous discharge from a 4 inch pipe in this area. Both liquids were a yellowish color containing oil. Mr. Shah, the operator, said that the liquid went to pits. He did not know where it went from there.

I was unable to contact management. I checked the lagoon and nothing was flowing into it or out of it. Sand had been used to cover some oily areas in front of Diamond Head.

On June 28, I contacted Mr. Mahler and was informed that the material which goes to the pits are then pumped to a holding tank and shipped to Palmer, Mass. for processing.

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